

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, February 18, 2015

The agenda for this meeting was mailed to every public employer, the news media, and other groups and individuals as requested.

February 18, 2015
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 10:03 a.m., February 18, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, Rusty McAllister, Audrey Noriega and David Olsen. Members absent: Katherine Ong.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Janet Becker-Wold of Callan Associates and Ken Lambert of Peavine Capital Management reviewed PERS' current U.S. bond structure and portfolio with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:35 a.m.

February 18, 2015
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:08 p.m., on February 18, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, David Olsen, Audrey Noriega and Rusty McAllister. Members absent: Katherine Ong.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that George Chamberlin, William Henkel, Ida Markind, Esta McGough, Kathryn Schneider, and Christopher Harris either work or worked for the same employer as herself but she did not feel this would impair her vote. Al Martinez stated that Deborah Kazio, Kari Meissner, Mary Mosser, and Lisa Snipes either work or worked for the same employer as himself but he did not feel that would impair his vote. Chris Collins stated that Melissa Causey and Benny Hunt either work or worked for the same employer as himself but he did not feel that would impair his vote. David Olsen stated that Melissa Sharp work or worked for the same employer as himself but he did not feel that would impair his vote. Staff mentioned that disability retirement applicant number twenty-four requested that her disability be deferred until the March Board meeting.

On motion of Chris Collins, the Retirement Board voted unanimously of those present to, except for disability retirement applicant number 24:

1. Approve permanent and total disability retirement for: Matthew Baker, Evelyn Calvin, Melissa Causey, George Chamberlin, Scott Clark, Rachel Eaton, Eric Frost, William Henkel, Michael Horn, Janine Hubbard, Benny Hunt, Deborah Kazio, Janet King, Kirstin Lattin, Chris Lowe, Ida Markind, Patti Matus, Esta McGough, Kari Meissner, Virginia MontBlanc, Eduardo Morales Sr., Mary Mosser, Kenneth Pollock, Gloria Rodriguez, Holly Root, Deborah Saling, Kathryn Schneider, Thomas Schuhmacher, Melissa Sharp, Lisa Snipes, Douglas Staubs, and Jill Tsuzuki.
2. Approve reemployment requests by disability recipients: Joy Greeson, Christopher Harris, Linda Justus, Kevin Ranft, and Catherine Wright.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management provided the second quarter performance review of fiscal year 2015 for the Public Employees' Retirement Fund, the Judicial Retirement Fund, and the Legislators' Retirement Fund. There was no action taken on this item.
- 3.2 Ken Lambert of Peavine Capital Management reviewed PERS' U.S. bond structure. After discussion, on motion of Rusty McAllister the Retirement Board voted unanimously of those present to:
1. Approve the Investment Objectives and Policies for the PERS' fund, as submitted.
 2. Authorize staff to transition assets from active U.S. bond management and the Blackrock and Mellon Capital index portfolios to Barclays Treasury Index portfolios managed by Payden & Rygel and UBS.
 3. Terminate the Investment Management Agreement with Dodge & Cox.

4. Terminate the Investment Management Agreement with JP Morgan.
5. Terminate the investment Management Agreement with Western Asset Management.
6. Authorize the closure of the bond index account managed by Blackrock.
7. Authorize the closure of the bond index account managed by Mellon Capital.

3.3 Staff highlighted the proposed modifications to the Interim Investment Directives for the PERS' fund. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the Interim Investment Directives for the PERS' fund, as submitted.

4. BOARD

- 4.1 Staff reviewed Charlie Park's qualifications for the Manager of Information Systems position at PERS. After discussion, on motion of Rusty McAllister, the Retirement Board voted unanimously of those present to confirm the appointment of Charlie Park, as the Manager of Information Systems of the Public Employees' Retirement System of Nevada beginning February 20, 2015, at step 10 in the Manager of Information System's pay schedule.
- 4.2 On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education session and Board meeting held January 21, 2015, as submitted.
- 4.3 There were no recommended changes to the Retirement Board meeting dates.
- 4.4 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ACCOUNTING

- 5.1 Staff presented the contract renewal with CliftonLarsonAllen, LLP to provide audit services for PERS, LRS, and JRS for fiscal year ending June 30, 2015. On motion of Chris Collins, the Retirement Board voted unanimously of those present to retain CliftonLarsonAllen to provide audit services for the fiscal year ending June 30, 2015, for a fee not to exceed \$117,500.00.

6. ADMINISTRATION

- 6.1 Staff highlighted the proposed modifications to PERS' Official Policies dated September 2012. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to PERS' Official Policies in accordance with NRS 286.200.

- 6.2 Staff highlighted the proposed modifications to the JRS Official Policies dated September 2012. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to the JRS Official Policies in accordance with NRS 1A.100.
- 6.3 Staff highlighted the proposed modifications to the LRS Official Policies dated September 2012. On motion of Chris Collins, the Retirement Board voted unanimously to authorize staff to notify employers of proposed revisions to the LRS Official Policies in accordance with NRS 218C.150 and NRS 218C.180.
- 6.4 Staff reviewed the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held January 22, 2015. On motion of Rusty McAllister, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held January 22, 2015.
- 6.5 Staff reviewed the contract renewal with Segal Consulting to provide Internal Revenue Code 415 testing for calendar year 2015. On motion of Chris Collins, the Retirement Board voted unanimously of those present to approve the independent contract with Segal Consulting for Section 415(b) testing services for calendar year 2015 benefit allowances, in an amount not to exceed \$100,000.00, retroactive to January 1, 2015, as submitted.

7. LEGISLATION

- 7.1 Assembly Bill 105 revises the membership composition of the Retirement Board by adding the State Treasurer. Staff reviewed the details of the bill. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to adopt a position in opposition to Assembly Bill 105.
- 7.2 There was no additional information on the status of Senate Bill 69.
- 7.3 Staff provided an update on the status of SB 12 and AB 3. Staff also mentioned that one new BDR had been added since the last report and two BDRs were identified after the completion of the board meeting materials. The BDRs added are:

BDR #975 – Assemblyman Trowbridge – Revises provisions governing the Public Employees' Retirement System.

BDR #1056 – Assemblywoman Diaz – Makes various changes to the Public Employees' Retirement System.

BDR #1061 – Assemblywoman Kirkpatrick – Revises provisions governing the Public Employees' Retirement System.

8. RATIFICATION AGENDA

On motion of Chris Collins, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda, as submitted:

8.1 Approve the Administrative Fund disbursements.

8.2 Approve the personnel action taken since the last report.

8.3 Approve the Independent Contract with Wilshire Associates to perform a Second Opinion Review of PERS' Investment Program.

9. DENIALS

10. REPORTS

11. PUBLIC COMMENT

11.1 Warren Wish provided his impressions of the hearing on Assembly Bill 3. Mr. Wish explained that he felt the members of the Assembly Committee on Government Affairs had good knowledge of PERS and appreciates the communication PERS has with our legislators. NSEA is pleased that we have allies on the Assembly Committee on Government Affairs.

11.2 The Executive Officer introduced PERS' new Deputy Attorney General, Jennifer Chisel, to the Retirement Board. Chairman Vincent welcomed Jennifer to PERS. Jennifer said she is happy to be here.

11.3 There was no Administrative Report by Staff.

11.4 Comments or questions from the Retirement Board members:

Chairman Vincent: 1. Chairman Vincent thanked the attendees at the Assembly Bill 3 hearing that testified and the members that attended for their support and on presenting the facts during their testimony at the hearing.

Vice Chairman Collins: 1. Vice Chairman Collins thanked our RPEN friends and all others that attended the Assembly Bill 3 hearing as they were in full force in Carson City and Las Vegas. Thank you to everyone for attending and for your support.

12. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 1:16 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on February 18, 2015, was called to order at 10:09 a.m. by Chairman Vincent and recessed at 11:37 a.m. The February 18, 2015, Retirement Board meeting was called to order at 12:08 p.m. by Chairman Vincent. There was one break taken at 1:08 pm for approximately 6 minutes. Chairman Vincent adjourned the meeting at 1:16 p.m.